

# N.C. Housing Finance Agency

## Homes . Jobs . Tax Base



Scott Farmer  
Executive Director

Joint Appropriations Subcommittee on General Government  
February 28, 2017



# **Mission**

To create affordable housing for those whose needs are not met by the market

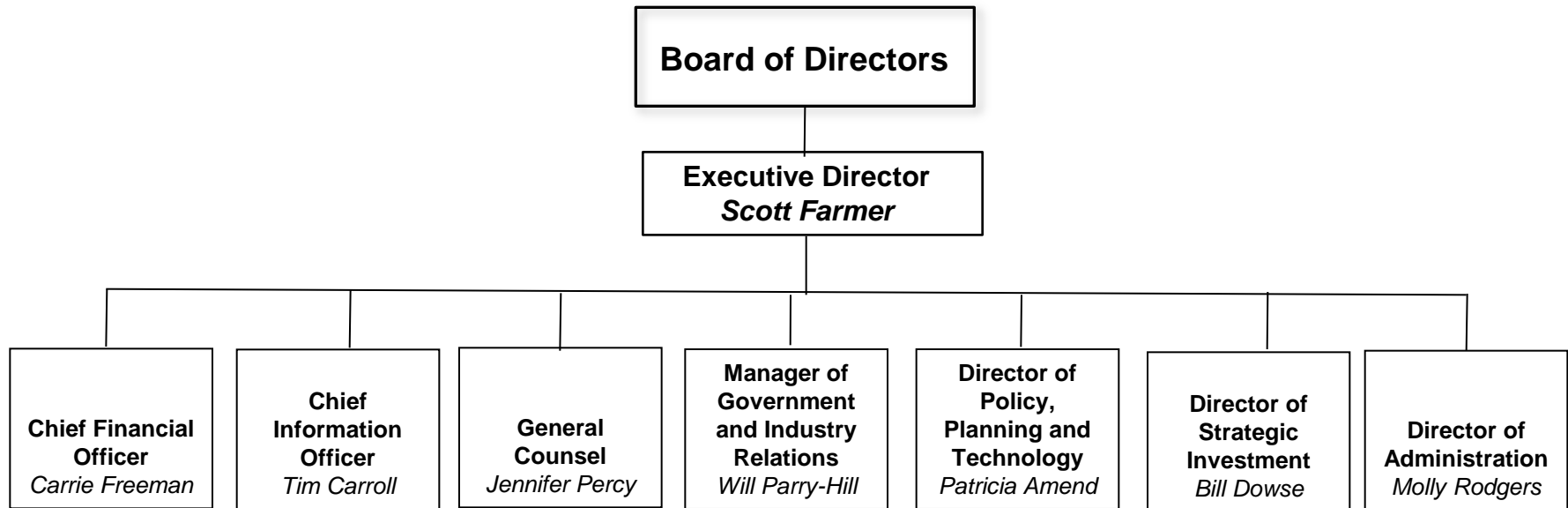
# **Philosophy**

To operate efficiently, to leverage private capital,  
to emphasize partnerships

# Agency Structure

- Self-supporting
- Flexibly structured to respond to the market
- Governed by a Board of Directors
- Financials audited by an independent auditor
- Bond issues evaluated by rating agencies
- Debts are not debts of the State

# Organization Chart



The Agency's approved organization chart includes 140 full-time positions, of which 123 are filled. There are also 41 contract staff working mainly in foreclosure prevention programs. Contract staff are used to manage costs and workload, as foreclosure prevention programs change over time.

# Production

**Since 1974: 255,000 homes and apartments**

**2016**

13,200 – Homes and Apartments

17,180 – Jobs

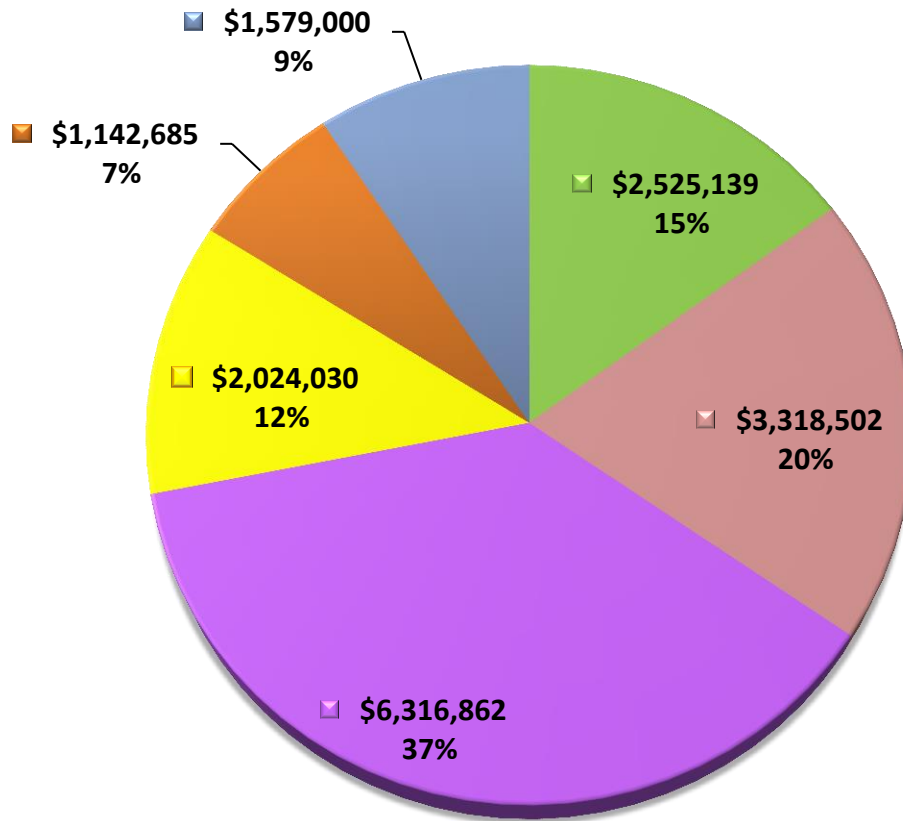
\$92 million – Tax Revenue

In 2016, we also provided foreclosure prevention loans for 2,520 homeowners and managed rent assistance on 26,590 apartments.

Economic impacts are calculated using the RIMS II model from the U.S. Bureau of Economic Analysis.

# Sources of 2016 Operating Budget

\$16,906,218



■ Home Loan Lending and Servicing Revenue

■ Housing Credit Earned Revenue

## Fees for Program Management

■ Hardest Hit Fund

■ HOME Program

■ HUD Rental Administration Contract

■ Program Services

# Scope of Work

- We operate a range of programs to best serve the State
- Each program is evaluated annually for its cost/benefit
- Funding is not interchangeable. Funding sources have unique rules (e.g., income targeting, rent limits) and uses
- We work with partners in all 100 counties

# Funding Awarded—All Programs

Activity	2014	2015	2016
<b><u>Production &amp; Preservation</u></b>			
Home Ownership	\$441,581,227	\$692,151,649	\$909,365,764
Rental Housing *	\$302,904,746	\$291,578,836	\$351,829,212
Supportive Housing	\$5,332,248	\$3,203,941	\$3,318,000
Housing Preservation	\$9,913,584	\$10,542,598	\$12,128,221
<b><u>Rent Assistance</u></b>			
Rent Assistance	\$152,187,917	\$155,152,884	\$159,548,826
<b><u>Foreclosure Prevention</u></b>			
Foreclosure Prevention Loans	\$63,677,183	\$58,999,404	\$59,979,410
Foreclosure Prevention Counseling	\$3,938,275	\$2,325,825	\$2,061,750
<b>TOTAL</b>	<b>\$979,535,180</b>	<b>\$1,152,629,908</b>	<b>\$1,436,190,023</b>

Programs operate on the calendar year.

\*Includes equity from the sale of federal tax credits to investors by project developers.



# Recent Examples



Compass Pointe, Jacksonville  
Apartments for Homeless Veterans



Antiquity Heights, Cornelius  
Apartments for Working Families



Auburn Spring, Burlington  
Senior Apartments



Single-Family Neighborhood, Apex  
Habitat for Humanity

# Leveraging

- Every State \$1 leverages \$4 of housing
- Every State \$1 produces bricks/mortar
- Every State \$1 is measured by the number of homes produced
- We pay the costs of administration

# Appropriations

	2015	2016	2017
HOME Match Funds	\$1,458,000*	\$1,458,000*	\$3,000,000*
Workforce Housing Loan Program	\$10,000,000	\$12,500,000	\$20,000,000
Housing Trust Fund	\$7,660,000*	\$7,660,000*	\$7,660,000*

\*Recurring

# State HOME Match

- Appropriation began in 1993
- Ensures NC's share of federal HOME block grant
- Match is 25% of HOME funds, as drawn from Treasury
- Match projects must meet federal HOME rules
- Match repayments must return to the HOME Program

# State HOME Match

**Results: 2016 Appropriation  
\$3,000,000**

- Match funds will finance
  - 360 home buyers
  - \$13.8 million of real estate value
  - 280 jobs
  - \$1.3 million of tax revenues
- Sponsors create home buyer opportunities through local lenders, Realtors<sup>®</sup>, and builders

# Workforce Housing Loan Program

- Created by the General Assembly in 2014
- Partially replaces the State Housing Credit, which invested an average of \$35 million / year, 2003 – 2014
- Used in combination with federal Housing Credits
- Stimulates rental production in low-wealth counties
- Reduces rents in moderate and higher income markets

# Workforce Housing Loan Program

**Results: 2016 Appropriation  
\$20,000,000**

- Benefited 60% of 2016 Housing Credit projects
- \$20 million will support
  - 3,230 apartments
  - \$383.6 million of development
  - 7,750 jobs
  - \$41.5 million in tax revenues

# N.C. Housing Trust Fund

- Created by the General Assembly in 1987
- Increases the supply of affordable housing for very low-income persons
- Overseen by the 13-member Housing Partnership, appointed by the Speaker of the House and President Pro Tem of the Senate



# Housing Trust Fund Fills Critical Gaps

- Best funding to produce independent apartments for persons with special needs
- Flexible funding for urgent repairs and accessibility items
- Focused on persons with incomes below 30% and 50% of median—veterans, seniors, and disabled persons

# Housing Trust Fund

**Results: 2016 Appropriation**

**\$7,660,000**

<b>Activity</b>	<b>Funds Awarded</b>	<b>Homes</b>
Rental Housing	\$5.40 million	434
Supportive Housing	\$2.26 million	76
<b>TOTAL</b>	<b>\$7.66 million</b>	<b>510</b>

## **Economic impact**

- \$59.0 million of housing
- 1,050 jobs
- \$5.7 million in tax revenues

# Community Living Initiative

- DoJ settlement requires 3,000 disabled persons to be in community living by 2020
- Community Living Housing Funds of \$5.5 million were transferred to Housing Trust Fund in FY2017
- Funds will be used to leverage new housing options for DoJ settlement clients in a funding collaborative
- Our Agency, DHHS, LME/MCOs are working together

# Disaster Recovery

- Disaster Recovery Act of 2016 appropriated \$20 million to the Housing Trust Fund to help people directly impacted by natural disasters
- Single Family Rehabilitation-Disaster Recovery
  - Owner-occupied homes in 49 counties
  - Incomes to 100% of area median
  - Up to \$50,000 per unit
  - Non-amortizing, forgivable loan
  - 15 participating partners to date

# Housing Works!

